

H703-14

8p.

THE MISSISSIPPI TECHNOLOGY TRANSFER CENTER ACT OF
1985

OCTOBER 23, 1985.—Committed to the Committee of the Whole House on the State of
the Union and ordered to be printed

Mr. FUQUA, from the Committee on Science and Technology,
submitted the following

1008-C;
1008-D

REPORT

[To accompany H.R. 3235]

11.1/8: 99-322.

[Including cost estimate of the Congressional Budget Office]

The Committee on Science and Technology, to whom was referred the bill (H.R. 3235) to authorize the Administrator of the National Aeronautics and Space Administration to accept title to the Mississippi Technology Transfer Center to be constructed by the State of Mississippi at the National Space Technologies Laboratories in Hancock County, Mississippi, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Page 2, line 9, after "may" insert " , subject to the availability of appropriations therefor,".

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I. PURPOSE OF THE BILL

The bill would authorize the Administrator of NASA to accept title to a building, the "Mississippi Technology Transfer Center", to be constructed by the State of Mississippi (with funds appropriated by the State of Mississippi) at the NASA National Space Technologies Laboratories (NSTL) in Hancock County, Mississippi.

II. NEED FOR THE LEGISLATION

Under its organic act, the National Aeronautics and Space Act of 1958 (42 USC 2451 et seq), the Administrator of NASA can accept only unconditional gifts. The Mississippi appropriations act which provides the \$4 million to construct the center contains conditions which, while presenting no substantial problem, make enactment of this legislation necessary before the Administrator can accept title to the building. The conditions are described in Section V below.

III. SECTION-BY-SECTION SUMMARY OF THE BILL

Section 1 authorizes the Administrator of NASA to accept title to the building and to enter into an agreement with the Governor of Mississippi in conformance with the Mississippi appropriations act.

Section 2 provides that the bill does not authorize the enactment of new budget authority for a fiscal year before fiscal year 1987.

Section 3 defines "Mississippi Technology Transfer Center" as the building built pursuant to the Mississippi appropriation.

IV. LEGISLATIVE HISTORY

H.R. 3235 was introduced by Mr. Lott on September 4, 1985, and referred to the Committee on Science and Technology. On September 17 the bill was referred to the Subcommittee on Space Science and Applications.

On October 23 the Subcommittee was discharged of the bill. H.R. 3235 was then taken up by the Committee and, a quorum being present, ordered reported by voice vote, with an amendment.

V. EXPLANATION AND COMMITTEE VIEWS

State of Mississippi Actions.—In Section 9 of Chapter 170 of the Mississippi General Laws of 1985 (as enacted on April 19, 1985), the State has appropriated \$4,000,000 "for the purpose of defraying the expenses of constructing, furnishing, and equipping a building and related facilities" at NSTL. The State's purpose is to "enhance the State's economic development and activities, the transfer of technology from NSTL to the public and private sectors, the generation of high impact jobs, the development of spin-off industry throughout the State and the capabilities of private support contractors."

The Mississippi appropriations act specifies, as conditions on the expenditure of the funds appropriated, that NASA and the Gover-

nor of Mississippi shall enter into an agreement which includes requirements that:

(i) After completion and delivery of the Center to NASA the Administrator shall exercise exclusive control and responsibility for the facility throughout its lifetime at no additional cost to the State of Mississippi; and

(ii) Space be provided in such facilities for:

(A) The location of new agencies and contractors at NSTL as new jobs.

(B) The growth of existing agencies and their support contractors as new jobs.

(C) The establishment of a Center of Excellence for Remote Sensing to be staffed and operated by the Mississippi Institute of Technology Development.

(D) The expansion of the Mississippi Technology Transfer Office.

(E) Offices that can be made available to institutions of higher learning for research projects.

As an additional condition the building shall be named the "Mississippi Technology Transfer Center".

Impact of the Conditions.—As explained above, the existence of the conditions means that the Administrator of NASA cannot accept the building without passage of H.R. 3235, or equivalent legislative action, because of the specific conditions contained in the Mississippi statute.

The first condition is that NASA will have full control of and responsibility for the building, for its lifetime. It says that when the building is delivered to NASA the State will have no maintenance responsibility once NASA accepts it.

This puts a burden on NASA to inspect carefully the plans for the building, the construction work in progress, and the completed building, and to insure that adequate provision for such inspections are included in the agreement between NASA and the Governor. The Committee fully expects NASA to take these precautions.

The second condition has to do with the provision of space in the building. As the whole purpose of the building is simply to provide such space, this condition amounts to no more than a restatement of the purpose of the appropriation. The only direct condition on the Administrator of NASA is that NASA cannot occupy the building to the exclusion of the enumerated users.

There is, however, an indirect concern. Estimates are that rents and fees charged users will more than compensate NASA for the maintenance and operations costs of the building. This assumes that the building will be almost totally occupied, which is a reasonable assumption because about 80% of the space is already spoken for. Nevertheless, NASA must operate so as to maintain an occupancy rate high enough to generate the needed revenues. The Committee expects the Administrator of NASA to keep the building adequately occupied with rent-paying tenants.

The third condition is that the building be named the "Mississippi Technology Transfer Center", which seems reasonable to the Committee.

Benefits to NASA.—The agency has had an on-going program of research and development in the technology for, and applications

of, remote sensing from space. The building will provide space for a Center of Excellence in Remote Sensing which is one of the newly funded NASA Centers for the Commercial Development of Space. The effect of bringing together these two programs should be beneficial. In effect, the outside users will become more accessible to the NASA developers of remote sensing techniques (and vice versa). The result should be faster and more effective application of this technology.

NASA will also benefit from having more support contractors located on site.

Growth of high-technology industry in the area will generally benefit NASA by increasing the local pool of qualified suppliers, services, and employees on which NASA can draw.

Other Impacts.—There seem to be no drawbacks to this proposal. The Committee has investigated whether there are any adverse programmatic impacts and found none.

The Committee inquired as to whether any potential tenants are to have support from NASA which would amount to a hidden rent subsidy. While some tenants may be supported in part by NASA, the Committee has found no evidence of agreements whereby NASA would support tenants in order to occupy the building.

The Committee expects NASA to ensure that the building is occupied by *bona fide* rent-paying tenants.

Explanation of Amendment.—The amendment provides that no agreement between the Governor and the Administrator can obligate the Administrator to do or provide anything for which funds have not been authorized and appropriated. This amendment helps protect the United States Government against the types of contingencies described below.

This amendment also satisfies the agency comments presented in XIII below.

Contingencies.—In drafting the NASA agreement with the Governor the Administrator must guard against various contingencies. Examples include: (1) the damage of the building by a natural disaster which would prevent tenant occupancy; and (2) construction costs of more than the \$4 million appropriated by the State, which would leave NASA with an unfinished building. Other such contingencies could be imagined.

The Committee expects the Administrator's agreement with the Governor to protect the government against such contingencies. In particular, the Administrator: (1) may not agree to provisions which would require expenditure of appropriated funds; and (2) must develop terms and conditions for acceptance of the building which protects the Federal Government.

VI. COST AND BUDGET DATA

In accordance with the requirements of Section 252(b) of the Legislative Reorganization Act of 1970, the Committee notes that this bill contains no authorizations or appropriations. The Committee further believes that the rents and fees to be collected from tenants in the building will at least offset the costs of operating and maintaining the building. Therefore, there should be no cost to the Federal Government initially or over the life of the building.

VII. CONGRESSIONAL BUDGET ACT INFORMATION

The bill provides for neither new authorizations nor new budget authority and consequently the provisions of Section 308(A) of the Congressional Budget Act of 1974 are not applicable.

VIII. CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, October 23, 1985.

Hon. DON FUQUA,
Chairman, Committee on Science and Technology, House of Representatives, Rayburn House Office Building, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed H.R. 3235, a bill to authorize the Administrator of the National Aeronautics and Space Administration (NASA) to accept title to the Mississippi Technology Transfer Center to be constructed by the State of Mississippi at the National Space Technologies Laboratories in Hancock County, Mississippi, as amended and ordered reported by the House Committee on Science and Technology, October 23, 1985.

We estimate that enactment of this legislation would result in no significant costs to the federal government and in no costs to state and local governments. The bill would authorize the NASA Administrator to accept title to a building to be built by the State of Mississippi, in return for which NASA would agree to provide for operating and maintenance expenses and reserve twenty percent of building space for free occupancy by the state. Annual operating and maintenance expenses are estimated to be \$66,000, which would be largely offset by lease payments from tenants.

If you wish further details on this estimate, we will be pleased to provide them.

With best wishes,
Sincerely,

RUDOLPH G. PENNER.

IX. OVERSIGHT FINDINGS AND RECOMMENDATIONS, COMMITTEE ON GOVERNMENT OPERATIONS

No findings or recommendations on oversight activity pursuant to Rule X, clause 2(b)(2), and Rule XI, clause 2(l)(3)(D), of the Rules of the House of Representatives have been submitted by the Committee on Government Operations for inclusion in this report.

X. OVERSIGHT FINDINGS AND RECOMMENDATIONS, COMMITTEE ON SCIENCE AND TECHNOLOGY

No oversight findings and recommendations pursuant to Rule XI, clause 2(l)(3)(A), by the Committee on Science and Technology under the authority of Rule X, clause 2(b)(1) and clause (3)(f), of the Rules of the House of Representatives have been prepared since the convening of the 99th Congress.

XI. EFFECT OF LEGISLATION ON INFLATION

In accordance with Rule XI, clause 2(1)(4), of the Rules of the House of Representatives, this legislation is assessed to have no adverse inflationary effect on prices and costs in the operation of the national economy.

In the long term, the Committee believes that the legislation will help the development of industry of a high-technology nature in the State of Mississippi. The Committee believes that such development would be economically sound and counter-inflationary because it would occur in an area now having little high technology industry.

XII. CHANGES IN EXISTING LAW MADE BY THE BILL AS REPORTED

In compliance with Rule XIII, clause 3 of the Rules of the House of Representatives, the Committee notes that no changes in existing law are made by the bill as reported.

XIII. AGENCY RECOMMENDATIONS

The following agency recommendation had been received at the time that H.R. 3235 was ordered reported:

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION,
Washington, DC, October 22, 1985.

Hon. DON FUQUA,
Chairman, Committee on Science and Technology, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The National Aeronautics and Space Administration has reviewed the bill H.R. 3235, the "Mississippi Technology Transfer Center Act of 1985", and voluntarily submits the following comments thereon.

Section 9 of chapter 170 of Mississippi General Laws of 1985, enacted on April 19, 1985 and effective July 1, 1985, appropriates four million dollars for the State of Mississippi to construct, furnish and equip a building of approximately 50,000 square feet, to be known as the Mississippi Technology Transfer Center (the Center), at the National Space Technologies Laboratories (NSTL) in Hancock County, Mississippi. H.R. 3235 would authorize the Administrator of NASA to accept title to the Center and enter into an agreement with the Governor of Mississippi for its operation and maintenance. NASA supports enactment of this bill.

Under the terms of the proposed agreement with the Governor of Mississippi, NASA would convey to the State of Mississippi a permit to design, construct, furnish and equip such a building to be located in a mutually agreed upon site in the central engineering and administrative area at NSTL. NASA would accept title to the Center on behalf of the United States and would assume full and exclusive control of and responsibility for the operation and maintenance of this facility upon the completion of construction and its official delivery to NASA. One half of the building would be used by the State of Mississippi, NASA and NASA's contractors and the other half would be leased to other resident agencies at NSTL. The

revenues would be used to offset the costs of operation and maintenance of the facility.

NASA presently has in effect agreements providing office space at NSTL to the University of Southern Mississippi, the Mississippi State University, and the Mississippi Department of Economic Development. Under the terms of our agreements with these organizations they do not pay NASA rent based on the floor space they occupy, as in the case of other tenants of NASA buildings resident at NSTL, but they reimburse NASA for the cost of certain services and work which are performed for them. In the proposed agreement with the Governor of Mississippi, NASA would agree that offices in the new Center would be made available to these organizations on similar terms. Additionally, under the terms of the proposed agreement, and subject to the availability of appropriations and to the extent reasonably possible, the space in this facility would be used for the:

1. location of new agencies and their support contractors at NSTL,
2. growth of existing agencies and their support contractors,
3. expansion of the Mississippi Technology Transfer Office,
4. accommodation of institutions of higher learning for research projects, and
5. the Institute for Technology Development, recently selected by NASA as one of the Centers for the Commercial Development of Space.

NASA would use its best efforts to support the State in its attempt to achieve its goals, acting at all times in accordance with its authority and power as defined in the National Aeronautics and Space Act of 1958, as amended (the Space Act), and other applicable Federal laws and regulations.

Section 203(c)(4) of the Space Act (42 U.S.C. 2473(c)(4)) authorizes NASA "to accept unconditional gifts of donation of . . . property, real, personal or mixed. . .". The donation of the property in question, however, is subject to the conditions specified in the proposed agreement with the Governor of Mississippi, as outlined above, and thus cannot be considered an unconditional gift. As such, NASA is not authorized to accept donation of this property. H.R. 3235 would provide NASA the specific authority to accept title to this property subject to the provisions of the agreement with the Governor.

NASA is very pleased with this proposed donation and the creation of the Mississippi Technology Transfer Center. This transaction would create the potential for encouraging economic development in Mississippi and promoting NASA's technology transfer program, a program whose benefits have positively affected our country as a whole.

NASA, would like to see a provision in section 2 (see the enclosed revision to section 2) to ensure that the proposed agreement in section 1.2 be subject to available appropriations. NASA should be released from any contingent liability in this agreement in the event of construction overruns, the lack of appropriations to maintain, operate, or restore the Mississippi Technology Transfer Center facility, or any other event requiring additional appropriations. With this exception, NASA endorses the enactment of H.R. 3235, without

which the agreement for the creation and operation of the Mississippi Transfer Center could not be implemented.

The Office of Management and Budget has advised that, from the standpoint of the Administration's program, there is no objection to the submission of this report to the Congress.

Sincerely,

JOHN F. MURPHY,
Assistant Administrator for Legislative Affairs.

Enclosure.

REVISED SECTION 2 OF H.R. 3235

SEC. 2. LIMITATIONS ON APPROPRIATIONS.

(1) This Act does not authorize the enactment of new budget authority for a fiscal year before fiscal year 1987.

(2) This Act mandates that the proposed agreement in Section 1.2 of this Act is subject to available appropriations. NASA shall be exempt from any contingent liabilities related to this agreement in the event of construction overruns of the Mississippi Technology Transfer Center, the lack of appropriations to maintain, operate, or restore the Mississippi Technology Transfer Center, or any other event requiring additional appropriations.

XIV. COMMITTEE RECOMMENDATION

The Committee favorably reported the bill H.R. 3235 by voice vote, a quorum being present, and recommends its enactment.

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